

## Message Text

UNCLASSIFIED

PAGE 01 STATE 045170

12

ORIGIN EB-11

INFO OCT-01 AF-10 ARA-16 EA-11 ISO-00 AGR-20 COME-00

TRSE-00 OMB-01 STR-08 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 /152 R

DRAFTED BY EB/ICD/TRP:HFWANNING:DE

APPROVED BY EB/ICD/TRP:TTTURQMAN

AF/EPS:ROMBARDI

ARA/BR:JSLATTERY

EA/TB:JKLEMSTINE

EA/ANP:JDORRANACE

----- 016047

R 062206Z MAR 74

FM SECSTATE WASHDC

TO AMEMBASSY BANGKOK

AMEMBASSY BRASILIA

AMEMBASSY SUVA

AMEMBASSY TANANARIVE

INFO AMCONSUL RIO DE JANEIRO

UNCLAS STATE 045170

E.O 11652 N/A

TAGS: ETRD, EAGR

SUBJECT: SUGAR HEARINGS: PRESENTATION FOR BRAZIL, FIJI,  
MALAGASY REPUBLIC AND THAILAND

REF: STATE 26559

1. LOBBYISTS REPRESENTING SUGAR SUPPLIERS IN ADDRESSEE  
COUNTRIES APPEARED BEFORE HOUSE AGRICULTURE COMMITTEE  
MARCH 6. STATEMENTS COVERING POINTS SET OUT PARA 3 REFTEL  
WERE MADE.

2. ALBERT NEMIR, REPRESENTING THE BRAZILIAN SUGAR AND  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 045170

ALCOHOL INSTITUTE, REQUESTED INCREASE IN BRAZIL QUOTA TO

APPROXIMATELY 1.1 MILLION SHORT TONS RAW VALUE. NEMIR SUGGESTED THAT MAJOR OBJECTIVE OF SUGAR ACT EXTENSION SHOULD BE TO ENCOURAGE INCREASE IN SUGAR PRODUCTION BOTH IN THE U.S. AND ABROAD. HE SUGGESTED THAT, ALTHOUGH BRAZIL IS ALREADY WORLD'S LARGEST CANE SUGAR PRODUCER, FURTHER EXPANSION IS DEPENDENT UPON ASSURED REMUNERATIVE MARKETS. HE SAID BRAZIL'S PERFORMANCE RECORD UNDER CURRENT LEGISLATION IS EXCELLENT, AND BRAZIL WOULD CONTINUE GIVE PRIORITY TO THE U.S. MARKET IN THE FUTURE. BRAZIL HAS, NEMIR SAID, RECENTLY MADE SPECIAL ARRANGEMENTS ON A GOVERNMENT-TO-GOVERNMENT BASIS WITH JAPAN, ALGERIA, U.K., EC, SYRIA AND IRAQ, BUT THAT THESE COMMITMENTS WOULD NOT JEOPARDIZE PRIORITY GIVEN TO U.S. MARKET. NEMIR SAID SIX NEW SUGAR MILLS, FOUR OF WHICH ARE IN AREA OF TRANS-AMAZONIAN HIGHWAY, HAVE BEEN AUTHORIZED AT COST OF AS MUCH AS \$500 MILLION. HE SUGGESTED THAT CURRENT WORLD SHORTAGE IS LIKELY TO BE OF LONGER DURATION THAN SOME EXPECT AND THAT FIVE-YEAR EXTENSION OF SUGAR ACT WOULD PROVIDE INCENTIVES NEEDED FOR EXPANDED PRODUCTION.

3. GRAHAM PURCELL, FOR FIJI, REQUESTED INCREASE FROM CURRENT 45,000 TONS TO 100,000 TONS. HE STRESSED THAT SUGAR IS MOST IMPORTANT ECONOMIC ACTIVITY IN FIJI, AND THAT FIJI'S DEPENDENCE ON VOLATILE WORLD MARKET IS HIGHER THAN MOST OTHER EXPORTING COUNTRIES. SINCE COMMONWEALTH SUGAR AGREEMENT IS TO EXPIRE AT END OF 1974, AND FIJI IS PLANNING EXPANSION OF INDUSTRY, IT NEEDS LARGER GUARANTEED OUTLET IN THE U.S. PURCELL ALSO POINTED OUT CLOSE FIJI-U.S. RELATIONS AND PROMISED CONTINUED PRIORITY FOR SHIPMENTS TO THE U.S. IN THE FUTURE.

4. FORMER AMBASSADOR DAVID KING, FOR THE MALAGASY REPUBLIC, ASKED THAT QUOTA BE INCREASED TO 16,000 TONS PRIMARILY TO ALLOW INCREASED EFFICIENCY THROUGH SHIPMENT OF ONE FULL CARGO TO U.S. HE SAID THAT SINCE GENERAL RAMANANTSOA TOOK POWER IN 1972, MALAGASY TIES TO FRANCE HAVE LARGELY BEEN CUT AND THAT U.S. RELATIONS WITH MALAGASY REPUBLIC HAVE BEEN CLOSER. IN RESPONSE TO QUESTION, KING SAID CURRENT REGIME WOULD NOT BE INCLINED TO REPEAT SUCH "OUTRAGEOUS EVENTS" AS EXPULSION OF UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 045170

AMBASSADOR MARSHALL.

5. SCOTT WHITNEY PRESENTED THAI CASE FOR INCREASE TO 100,000 SHORT TONS RAW VALUE. HE STRESSED THAI DEPENDENCE ON EXPORTS OF AGRICULTURAL PRODUCTS, IMBALANCE OF TRADE BETWEEN OUR TWO COUNTRIES AND NEED FOR STABLE AND REMUNERATIVE MARKET FOR THAI'S GROWING EXPORTABLE SUPPLIES OF SUGAR. HE SAID THAI HAS FILLED ITS QUOTA ON A

PRIORITY BASIS AND WILL CONTINUE TO DO SO. HE ALSO STRESSED CLOSE RELATIONS BETWEEN THE TWO COUNTRIES POLITICALLY AND IN SECURITY FIELD.

6. COMMITTEE MEMBERS DISCUSSED WITH WITNESSES PHILOSOPHY OF SUGAR ACT AND SEVERAL MEMBERS STRESSED DIFFICULTY OF SITTING IN JUDGMENT ON COMPETING CLAIMS OF QUOTA COUNTRIES. NO OTHER BILATERAL ISSUES WERE RAISED DURING QUESTIONING.

7. TEXTS OF STATEMENTS WILL BE POUCHED. KISSINGER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, FOOD SHORTAGE, US CONGRESSIONAL HEARINGS, EXPORT QUOTAS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE045170  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** HFWANNING:DE  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740363/aaaacgmb.tel  
**Line Count:** 126  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN EB  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 26559  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** martinml  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 15 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <15 JUL 2002 by elbezefj>; APPROVED <04 DEC 2002 by martinml>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SUGAR HEARINGS: PRESENTATION FOR BRAZIL, FIJI, MALAGASY REPUBLIC AND THAILAND  
**TAGS:** ETRD, EAGR, TH, BR, FJ, MA  
**To:** BANGKOK MULTIPLE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005